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A CRITICAL STUDY ON THE ORGANIZED RETAIL INDUSTRY IN INDIA WITH SPECIAL REFERENCE TO MAHARASHTRA

Dr. Quazi Md. Kamran

Faculty, Univ. Dept. of Commerce & Bus. Adm., T.M. Bhagalpur University

ABSTRACT

Indian economy has grown rapidly in the last two decades, as a result of change in the business environment and thereby attracted massive investment from domestic and foreign players. This study is an effort to understand the revolution which has taken place in the Indian retail industry. Moreover, with the help of this study the researcher has made an attempt to analyze the shopping behaviour of consumer and try to assess consumer's perception with respect to organized retailer. In order to analyze the consumer's perception a survey has been conducted in Mumbai city and suburbs and based on the survey findings has been drawn by the researcher. The findings are based on the structured questionnaire collected from 100 respondents and the data has been collected through convenience sampling method. Organized retailer's popularity among the consumers is growing and thereby favouring the Mall culture which is quite prevalent in the Western Countries. Specially, youth prefer to shop more at modern retail formats as compared to consumer of adult and mature age groups. Moreover the research also highlight that Indian consumers are price sensitive also.

KEYWORDS: Indian Economy, Shopping Behaviour, Consumer's Perception, Retail Formats, Mall Culture.

1. INTRODUCTION:

Retailing is one of the most significant ventures in our nation, India. Napoleon Bonaparte's agree about 'a country of retailers' despite everything has a ring of truth. The retail part in India is seeing a huge development and creating enormous business.

Retailing, perhaps the biggest segment in the worldwide economy and is going through a change stage in India as well as everywhere on over the world. For a long time, the corner supermarket was the main decision accessible to the purchaser, particularly in the urban zones. This is gradually offering approach to worldwide organizations of retailing. The conventional food and staple portion has seen the rise of stores/staple chains (Food World, Nilgiris, Apna Bazaar), accommodation stores (Convenio, HP Speed bazaar) and inexpensive food chains (McDonalds, Dominos). It is the non-food portion; anyway that invasion has been made into an assortment of new parts. These incorporate way of life/design sections (Shoppers' Stop, Westside), attire/adornments (Levis, Reebok), books/music/endowments (Archives).

In India retailing is getting worldwide acknowledgment and consideration and this is developing business sector that is seeing a huge change in its development and speculation design. According to Global Retail Development Index (GRDI) 2012 high sparing and venture rates; quick work power development; and expanded customer spending-make India the fifth spot in the GRD and additionally for an entirely positive retail condition.

The retail division over India might make generally part under those composed and the chaotic segment. The chaotic division will be predominant. We might discuss over point of interest those diverse divisions of the retail segment Previously, India. The chaotic retail division fundamentally incorporates the neighbourhood Kirana store, the road side vendors and so forth. This segment constitutes regarding 93% of the aggregate retail profession. In the composed segment exchanging will be embraced by those authorized retailers who need enrolled themselves to bargains and in addition salary charge.

1. 1 Development of the Indian Retail industry:

Retail in India need advanced backing and those exceptional necessities should our country provide to the retailers. Haats, Mandis and Melas have generally been the only the scene of the Retail in India.

The advancement of the government funded dissemination about grains over India need its Inception in the 'rationing' framework acquainted toward the British Throughout the universe War II. The framework might have been begun in 1939 in Bombay Also consequently stretched out on different urban areas what's more towns. Traditional Formats

- Itinerant Salesman
- Haat
- Moles
- Mandi
- Kirana Shop

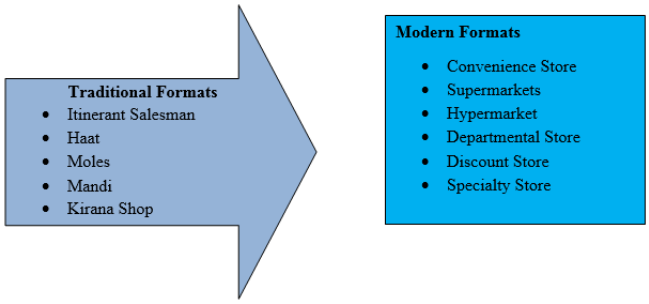


Figure 1.1.1: Evolution of the India Retail Formats

Source: Self-created

Toward those quite a while 1946, as A large number of 771 urban communities / towns were secured. Those framework might have been abolished post war, however, around achieving Independence, India might have been constrained will reintroduce it for 1950 in the face of replenished inflationary weights in the economy.

Following the Development about Indian retail might make inadequate without specify of the flask saves division and the Post business settings in India. Those khadi & town commercial enterprises (KVIC) might have been likewise set up post autonomy. Today, there are more than 7,050 KVIC saves the nation over.

Those Co-operative developments might have been once more championed toward the administration which set up Kendriya Bhandras for 1963. In Maharashtra, Bombay Bazaar, Sahakari Bhandar, Also Apna Bazaars run an expansive chain of Co-operative are few examples.

In the 1990's the Indian economy gradually advanced starting with state prompted getting to the business sector inviting economy. Same time free retail chain such as Akbarally, Vivek have existed to India.

One of the pioneers in this field was Raymond which set up retail locations for texture. Other material makers who likewise set up their own retail chains were Reliance which set up Vimal Showrooms and Garden Silk Mills with Garden Vareli. With the accomplishment of the marked menswear store, the new age departmental store showed up in India in the mid nineties.

This was from a genuine perspective, the start of new period retailing in India. The way that post advancement, the economy has opened up and another huge working class with spending power had developed to shape this part. The tremendous working class market requested an incentive for cash items, a superior shopping feel, more accommodation and one quit shopping. This has fuelled the development of departmental stores, markets and other claim to fame stores.

1.2 Indian Retailers Industry-A review:

In India, the business is huge, representing around 35% of GDP, which is the second biggest after agribusiness. Yearly retail deals in India are assessed at $470 billion and have been developing at 5% yearly. India has probably the most elevated thickness of retail outlets in the whole world. There are in excess of 12 million retail outlets (counting chaotic ones) in the nation.

Over the previous decade, there has been fast extension of composed retail designs. While half of India's populace is under 25 years of age, 70% is under 35 years old. The suggestion is that there is a huge supplement of youthful working populace, in this manner, bringing about expanded retail spending.

The Indian market is very rewarding for worldwide parts in the retail area, and India has been set at second situation in AT Kearney's yearly Global Retail Development Index (GRDI) 2008. As the contemporary retail segment in India is reflected in rambling shopping plazas, multiplex-shopping centers and immense buildings offer shopping, diversion and food all under one rooftop, the idea of shopping has changed regarding arrangement and purchaser purchasing conduct, introducing an upset in shopping in India.

1.3 Emerging Organized Retail Formats in India:

A portion of the developing retail organizes in India have been quickly clarified underneath:

Malls: Mall is biggest type of sorted out retailing today. Found primarily in metro urban communities, in nearness to urban edges they run from 60,000 sq ft to 7, 00,000 sq ft or more. They loan an ideal shopping involvement in a blend of item, administration and diversion, all under a typical rooftop. Models incorporate Shoppers Stop, Pyramid, and Pantaloon.

Speciality Stores: Focusing on explicit market portions and have set up themselves firmly in their divisions. Chains, for example, the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M are two or three models.

Discount Stores: As the name recommends, markdown stores or plant outlets, offer limits on the MRP through selling in mass arriving at economies of scale or abundance stock left over at the season. The item classification can extend from an assortment of transitory/durable products. Markdown Circuit is one such model.

Deparment Stores: Large stores running from 20000-50000 sq. ft, taking into account an assortment of customer needs. Further, they are characterized into restricted offices, for example, dress, toys, home, food supplies, and so on.

Hyper stores/Supermarkets: These are situated in or close to private high roads. These stores today add to 30% of all food and staple sorted out retail deals. Stores can additionally be arranged into smaller than usual markets regularly 1,000 sq ft to 2,000 sq ft and enormous stores going from of 3,500 sq ft to 5,000 sq ft. having a solid spotlight on food and staple and individual deals.

2. REVIEW OF LITERATURE:

Purohit and Kavita agreeing there examines that the customary retailers are not a lot of clear about the outcomes of the cutting edge retailing the conventional retailers are netural or unsure, present day retailing will cut the overall revenue of the customary retailers; the advanced retailing will lead sound rivalry in the market, current retailing will lessen the business volume of the customary retailers and conventional retailers ought to improve client care administrations in the period of present day retailing.

Bhardwaj and Makkar (2007) believe that NCR and Mumbai will keep on ruling the Indian retail scene. Both are huge and differing to oblige an assortment of new arrangements, including one-stop shopping centers, strength shopping centers, hyper markets and enormous box retailing. The analyst is of the view that auxiliary metros are seen by retailers as the "following retail objections" which toss a solid test to Mumbai and NCR Region. Pune, Bangalore, Kolkata, Hyderabad and Ahmadabad all have critical shopping center turn of events and are probably going to represent 33% of India's sorted out retail division. Factors, for example, developing pay and rising desires are expanding the interest for sorted out retailing.

As per Cherish Mathew (2009), "Forceful development by composed retailing has, thus, advanced certain political, lawful and social issues, raising worries about the fate of customary/sloppy retailing. The retail structure in India expected to settle at another balance, obliging both the composed and disorderly retailer. As the administration's intercession in the retail business is probably going to decrease in future, client inclinations and market powers will decide the possible result.

V Ramanathan (2009), the disorderly retailers should be receptive to the serious retail market elements made by the composed retail arranges so as to support their business and serve their objective clients in a gainful way. This 'class murdering' approach would get basic for the proceeded with endurance of sloppy retailers. In the event that the sloppy retailers embrace this methodology, along with the different types of comfort that they effectively offer, they would have the option to face the opposition from the composed retail designs.

Sanjeev Verma (2007) read Consumer Preferences for Retail Store Selection in Mumbai. The investigation was attempted to comprehend the elements influencing customer inclinations for retail location determination and creating advertising systems towards addressing the requirements and needs of shoppers. This examination inspects the linkage between buyer inclinations and the significance of some notable store characteristics.

Bricklayer et al (1994) recommended that sensible costs in a retail location actuate consumer loyalty just as fabricate client dedication. The investigation found that in the retailing segment, the store having sensible costs will regularly catch an enormous piece of the overall industry.

Gupta (2004) are of the view that buyers favour rising retail organizes because of its noteworthy item properties which incorporate item quality, combination of product, assortment and item costs.

3. OBJECTIVES OF THE STUDY:

- To analyze consumer behaviour & consumption pattern
- To study the evolution Retailing in India
- To evaluate consumer perception with respect to organized and unorganized retailing.

4. RESEARCH METHODOLOGY:

The researcher moved toward the respondents actually with organized poll. The whole poll utilized for the review was partitioned into three sections. The information for the examination has been gathered through a study of retail shoppers during January, 2020 to February, 2020. The specialist has utilized advantageous testing strategy. The non-likelihood arbitrary testing strategy dependent on the decisions of assessor has been utilized with the end goal of information assortment. The information has been gathered from different areas in Mumbai and Suburbs.50 Samples each has been chosen from Mumbai City and Suburbs. The example size of the examination is 100 respondents. Respondents who were happy to partake have been just approached to fill the survey. For gathering the essential information organized survey was utilized as an instrument and the poll chiefly placated questions which were shut finished. The Secondary information has been gathered from research paper, article, continuing of gatherings, Internet and so forth.

4.1 Limitations of the Study:

The study will have the following limitation:-

- The study is limited to Mumbai City and Suburbs only.
- The primary data has its own limitations and based on the respondent the study is limited to 2 districts of Maharashtra only and it cannot be applicable to the consumers of other parts of India.
- In the food and general merchandise category the study will be limited to three players which are Reliance Fresh, Big Bazaar and More.

5. DATA ANALYSIS:

In this section the data based on primary research will be has been analyzed with the help of bar graph.

5.1 Respondents Profile:

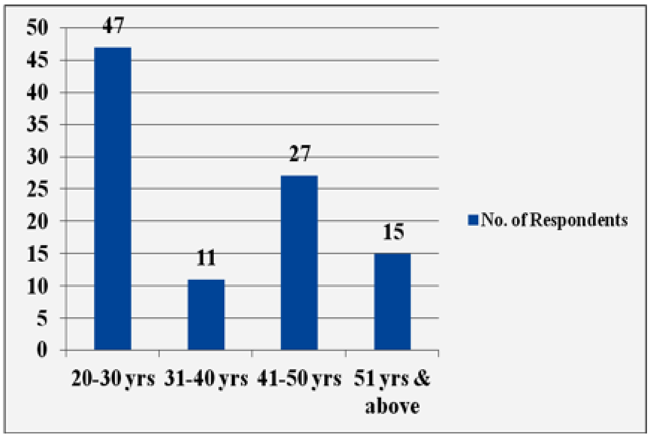
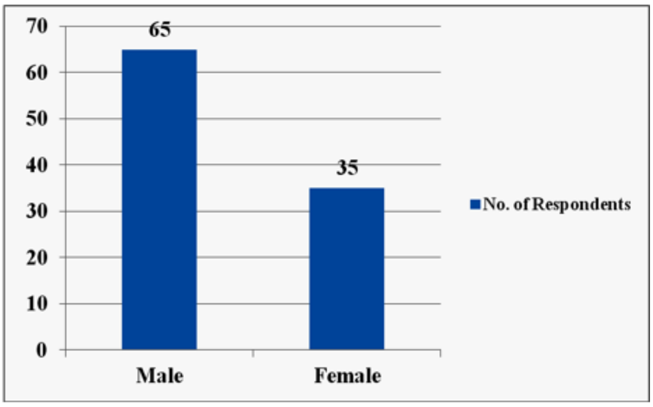


Figure 5.1.1: Age

Source: Survey



n=100
Figure 5.1.2: Sex

Source: Survey

5.2 Consumer Shopping Pattern & Perception:

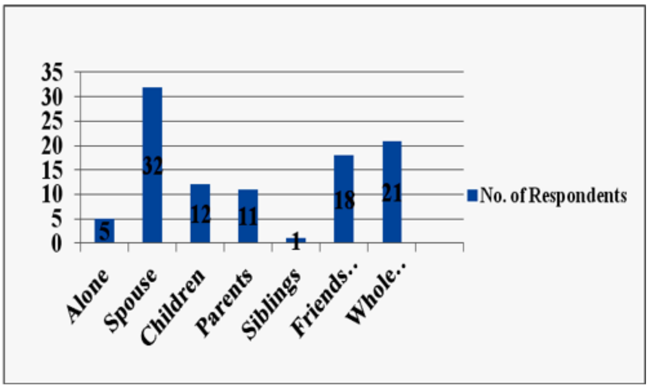


Figure 5.2.1: Companion for Shopping

Source: Survey

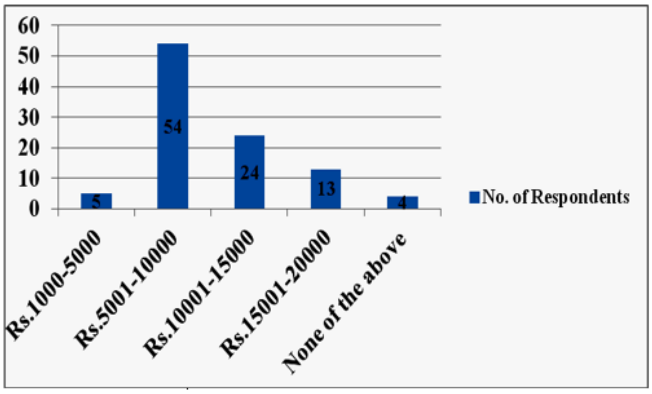


Figure 5.2.2: Monthly expenditure on Food

Source: Survey

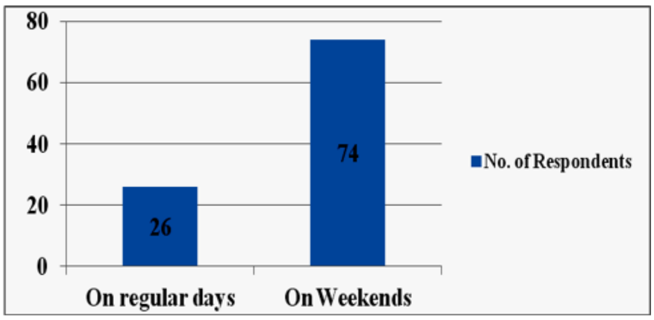


Figure 5.2.3: Preferred day for Shop

Source: Survey

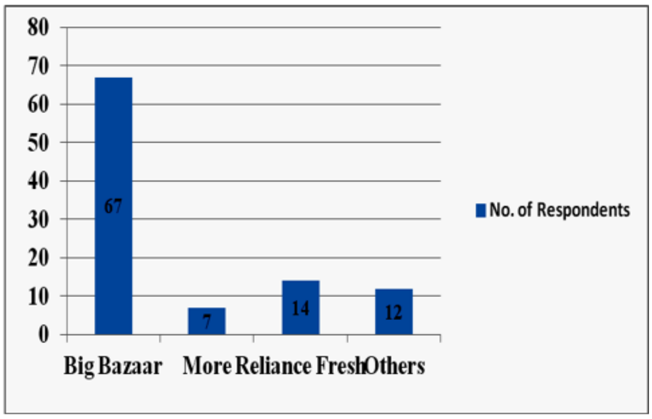


Figure 5.2.4: Preferred outlet to purchase

Source: Survey

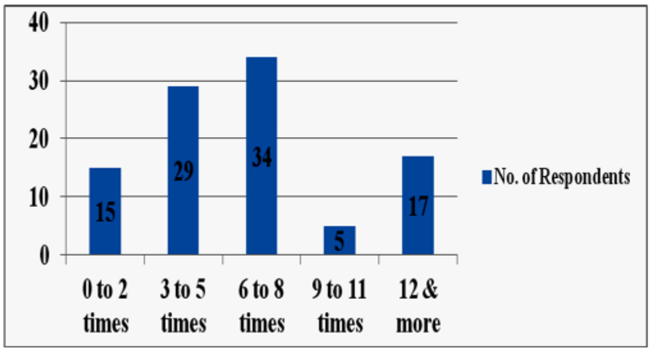


Figure 5.2.5: Shopping Frequency

6. FINDINGS:

- Based on the above examination it has been discovered that 61% of the respondents visiting shopping center fall between the age gathering of 20-30 yrs. It very well may be surmised from the above finding that young want to shop at sorted out outlet when contrasted with individuals of developed and grown-up age gatherings.

- 58% are male and 42% are female respondents. This implies guys are more disposed towards shopping when contrasted with the female respondents.

- Now individuals don't like to go for shopping alone as 32% of the respondent answered that they like to shop with their life accomplices followed 21% of the respondents who want to go with the whole family.

- 77% of the respondents spend more than Rs. 10000 each month to month. This implies respondents living in these regions spend altogether which implies that the buyers have the buying power.

- 54% of the respondents spend month to month on food and goods between a range Rs.5001-10000 followed by 24 respondents who spend between a scope of Rs.10001-15000 which is basic data from the retailer's point of view working in the food and grocery classification.

- Overall 56% of the respondent wants to shop in excess of multiple times in a month which connotes an impressive footfall of the shoppers.

- 74 % of the respondent answered that they like to shop on end of the week which is huge data from the retailer's point of view. The retailers need to chalk out systems so as to build the footfall on the normal days.

- Majority of the respondents answered that they would like to purchase things like staple food, other food, stuffed nourishments, cooking oil, corrective thing, toiletries and family cleaning items at sorted out outlet which is acceptable sign for composed retailers and expanding support among the customers.

- 74% of the respondents concur that because of sorted out retailing they are spending more during shopping which feature a move in buyer shopping example and effect of composed retailer.

- 89% of the respondents concur that because of composed retailing an uncommon change has occurred in their utilization design/way of life. Additionally, it likewise reflects positive impression of purchasers concerning

composed retailers.

- 69% of the respondents had the option to review the name of Big Bazaar which is a critical number and plainly shows the strength of Big Bazaar in food and staple class.

7. CONCLUSIONS:

In view of the whole investigation it very well may be presumed that the Indian economy is developing and alongside it the Indian retail market is additionally developing. The development of India economy has offered ascend to another market condition which prefers the sorted out retailers. Notwithstanding, both current and conventional retailers will exist together in India for quite a while to come, as they two have their own upper hands. However, the territory of worry for sloppy retail ought to be that the shopper conduct is changing and they are eager to receive the shopping center culture the same western culture. As of now this pattern is restricted to greater urban areas, yet the pace which the sorted out retailers are growing; its impression will be felt in littler towns as well.

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